



## ANNUAL USE OF CAPITAL SURVEY - 2009

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fidelity Financial Corporation / Fidelity Bank

Person to be contacted regarding this report:	Clay Bastian
CPP Funds Received:	\$36,282,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/19/2008
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	H-0928
FDIC Certificate Number: (For Depository Institutions)	30895-2
City:	Wichita
State:	Kansas

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	In 2009 Fidelity Bank originated or renewed \$699MM in commercial and consumer loans. We don't know if this is more than would have occurred without CPP because of the falling demand for loans in 2009.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	While we are unable to specifically attribute loans that resulted from CPP funding, the Bank originated or renewed \$176MM in Construction Loans, \$207MM in Commercial Real Estate Loans, \$130MM in Commercial Business Loans, \$146MM in Residential Mortgages, and \$39MM in Consumer Loans.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Reserves increased \$5.3 million in 2009. Fidelity Bank's resulting tier 1 core capital ratio would have been lower without participation in the CPP.

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Due to the recessionary economic conditions in 2009, Fidelity Bank was not willing or able to adequately lever the CPP funding. The increase to capital has been a valuable buffer to continued deterioration in the local and regional markets we serve.

What actions were you able to avoid because of the capital infusion of CPP funds?

The CPP funding increased Fidelity Bank's GAAP capital ratio by approximately 193 basis points, or 22.75%. Having the additional capital in a challenging year such as 2009 prevented the bank from having to reduce lending and assets in order to maintain desired capital ratios.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Having the additional CPP capital enabled Fidelity Bank to sustain origination and renewal of credits. Without the additional capital, in 2009 the Bank's credit policies might have become more restrictive.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.